

MINUTES

BOARD OF TRUSTEES
PUBLIC EMPLOYEES' RETIREMENT FUND
143 West Market Street, Suite 602
Indianapolis, IN 46204

September 29, 1998

TRUSTEES PRESENT

Richard Doermer, Chair
Nancy Turner, Vice Chair (via telephone)
Dr. Teresa Ghilarducci
Steven Miller
Jonathan Birge

OTHERS PRESENT

Diana Hamilton, Special Liaison to the Governor for Public Finance
Mary Beth Braitman, Ice Miller Donadio & Ryan
Richard Boggs, Burnley Associates
Kris Ford, Wm. M. Mercer Investment Consulting, Inc.
Peter Keliuotis, Wm. M. Mercer Investment Consulting, Inc.
Bill Monroe, Wm. M. Mercer Investment Consulting, Inc.
Doug Todd, McCready & Keene, Inc.
Elaine Beaty, McCready & Keene, Inc.
Mary DePrez, Bureau of Motor Vehicles Commission
Chuck Mayfield, Budget Agency
Karen Franklin, National City Bank
E. William Butler, Police and Firemen's Disability and Pension Fund of Columbus, OH
Don Hilt, PERF Retiree
Mark Webb, Interim Director
Patrick Lane, PERF Executive Assistant to the Director
Bill Hutchinson, PERF Division Director, Pension Administration
Dave Yeater, PERF Controller
Linda Stahl, Recording Secretary

A quorum being present, Chairman Doermer called the meeting to order.

1. EXECUTIVE SESSION

An Executive Session of the Board was called to discuss a key personnel matter.

2. BUREAU OF MOTOR VEHICLES COMMISSION UPDATE

Mary DePrez was introduced as the Deputy Commissioner and General Counsel for the Bureau of Motor Vehicles Commission. She has been an integral part of all discussions to date and is extremely supportive of the Commission's proposed move from their current retirement system into PERF.

Ms. DePrez reported that the Bureau of Motor Vehicles Commission met just last Thursday. At that time they voted to notify PERF that it was the Commission's intention and desire that PERF move ahead with a Notice of Intent for the proposed rule and the actual transition to PERF. The Commission members also decided that they would further schedule subcommittee meetings to address all unanswered issues, and that has been scheduled for October 13.

Mary Beth Braitman noted that she and Mark Webb had been working with Ms. DePrez on what would best facilitate this move. Considerable time has been spent looking at how the Commission employees could purchase service since they have been in a defined contribution plan for the past eleven years. Proposed rules have been put together and both PERF and the Commission staff have reviewed those rules to their satisfaction. A Notice of Intent will be filed to issue the rules, and the proposed rule would then be published. Board action is now needed to proceed with the continued development and finalization of the rule regarding service purchase.

MOTION duly made by Teresa Ghilarducci, seconded by Steve Miller and unanimously carried to initiate a proceeding whereby the Bureau of Motor Vehicles Commission would become a member of PERF effective July 1, 1999 providing all procedural steps are met by that time. Such proceeding could be withdrawn if that would be either the Commission's or PERF's choice.

3. APPOINTMENTS OF DIRECTOR AND DEPUTY DIRECTOR

Chairman Doermer noted that the Board had earlier met to consider two extremely important personnel matters, namely the appointment of a Director of PERF and the appointment of a Deputy Director. All of the details with respect to the search were discussed at length.

Diana Hamilton, who had been an integral part of the search process, detailed that H. Garth Dickey, the former Director, resigned in April 1998. Resumes were received from twelve individuals who were interested in pursuing the position. Three of those were State of Indiana employees, all with pension fund experience. Interviews were conducted with individuals from as far as Texas and California and as near as PERF's own backyard. Telephone interviews were conducted with all twelve individuals, face-to-face interviews with six, following which three finalists were selected. Of those, it was felt that William Butler was the most qualified. To briefly summarize his background, he is an

attorney-at-law who originally started out in private practice and then joined the Attorney General's Office in Ohio, serving there for approximately five years. He served in that capacity as the Attorney General's representative to the Police & Fire Fund in Ohio. When some issues arose there, it was felt that Mr. Butler had the appropriate management skills as well the knowledge of the fund, and he assumed the position of Chief Operating Officer. He is credited widely with making some very dramatic customer service improvements at the fund. "The Governor's Office feels very confident in recommending Bill to the Board for nomination consideration."

Following an opportunity for question,

MOTION duly made by Jonathan Birge, seconded by Nancy Turner and unanimously carried to appoint E. William Butler to the position of Director of the Public Employees' Retirement Fund and Mark C. Webb to the position of Deputy Director. Such appointments would be effective November 16, 1998.

4. ADJOURNMENT

There being no further business, a Motion to adjourn was entertained and by unanimous vote the meeting was adjourned.